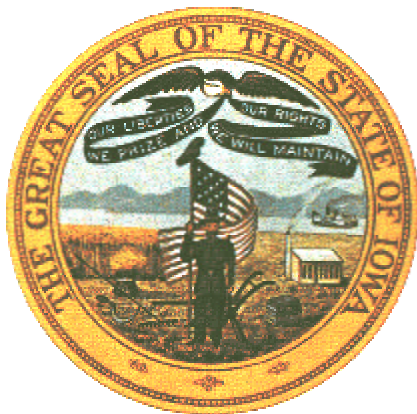


State of Iowa

Flexible Spending Account Program

Request for Proposals



Issued by:

The State of Iowa

*March 2004*

**State of Iowa**  
**Request for Proposals**

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## **SECTION 1. BACKGROUND AND CURRENT PLAN INFORMATION**

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Information regarding the State's benefit programs is also available on the State's web site: <http://das.hre.iowa.gov/>

### **1.1 Cafeteria Plan**

The State of Iowa sponsors a cafeteria plan that contains a medical reimbursement flexible spending account, a dependent care flexible spending account, and a premium conversion plan. These plans cover eligible employees employed by the State of Iowa, including all three branches of government, eight community-based correctional districts, the Iowa Fair Board, and the Schools for the Deaf and Blind. Approximately 23,000 employees are eligible for the flexible spending accounts, with a current enrollment of 2,600.

The current medical reimbursement maximum limit is \$2,500. The current dependent care maximum reimbursement limit is \$5,000.

The State administers the premium conversion plan. Currently, the State contracts with a third party administrator to administer the flexible spending account program.

The premium conversion plan allows employees to pay their health, dental, and life insurance premiums on a pretax basis. This RFP process does not involve either the administration of the premium conversion program or the underlying insurance products. The State is not anticipating changing any of its current insurance products or how the premium conversion program is administered.

### **1.2 Department of Administrative Services**

The Department of Administrative Services (formerly known as the Iowa Department of Personnel), administers the cafeteria plan. Program costs for the flexible spending accounts are currently funded through a fee charged to departments for each participating employee. The Department shall determine the quantity, quality, and acceptability of work and materials purchased under this contract. The Department shall decide all questions regarding performance and fulfillment of the Contract, including the obligations of the contractor.

## **SECTION 2. ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS**

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### **2.1 RFP Coordinator**

The RFP Coordinator, identified below, is the sole point of contact regarding the RFP from the date of issuance until selection of the successful bidder.

Jennifer Sandusky  
Department of Administrative Services  
400 E 14<sup>th</sup> St  
Des Moines IA 50319  
[Jennifer.sandusky@iowa.gov](mailto:Jennifer.sandusky@iowa.gov)  
(515) 281-0569  
Fax (515) 281-5102

### **2.2 Restriction on Communication**

From the date of issuance of this RFP until announcement of the successful bidder, bidders may contact only the RFP Coordinator. The RFP Coordinator will respond only to written questions (including e-mail) regarding the procurement process. Questions related to the interpretation of this RFP must be submitted in writing to the RFP Coordinator in accordance with the timeline set forth in this RFP. In the event that a bidder or someone acting on the bidder's behalf attempts to discuss the RFP orally or in writing, with any other employee of the State of Iowa, the bidder may be disqualified. Bidders may continue to communicate with State staff regarding other business matters relative to State business.

### **2.3 Procurement Timetable**

The dates set forth below are for informational purposes only. The State reserves the right to change the dates.

Action	Date
Invitation to Bid Issued	March 5, 2004
Deadline for Receipt of Bidder Questions	March 19, 2004
State Issues Response To Bidder Questions	March 26, 2004
Bid Receipt Deadline	April 2, 2004
Bids Evaluated and Scored. Possible Bidder Interviews.	April 23, 2004
Contract written, reviewed and signed by parties.	June 2004
Annual Enrollment period begins	October 2004
Plan Year begins	January 2005

## **SECTION 2. ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS**

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### **2.4 Submission of, and Responses to, Written Questions**

All inquiries, including any questions related to the terms and conditions of this RFP, should be made in writing and submitted to the RFP Coordinator at the address noted. Oral inquiries will not be accepted. The RFP Coordinator must receive all inquiries in writing no later 4:00 p.m. CST, March 19, 2004. The State's responses to questions will not identify the submitter and will be posted to the Department's web site at <http://das.hre.iowa.gov/> on or before March 26, 2004.

### **2.5 Amendment to the Request for Proposal**

The State reserves the right to amend the RFP at any time. In the event it becomes necessary to amend, add to, or delete any part of the RFP, an amendment will be provided to all bidders who requested the original RFP, and will be posted on the DAS web page at <http://das.hre.iowa.gov/>. A bidder's response must include acknowledgement of the addenda.

### **2.6 Submission of Proposals**

The proposal submitted by your company will constitute your company's unqualified consent to all of the procedures below.

**2.6.1.** The proposal submitted in response to this invitation will be considered the only submission after the due date. Revised proposals will not be permitted after proposals are opened, unless the State requests additional or clarifying information. However, prior to the proposal due date, a submitted proposal may be withdrawn by submitting a written request for its withdrawal to the RFP coordinator and signed by the bidder. Once a proposal is opened, it will be considered a firm and binding proposal, and may not be withdrawn from consideration.

**2.6.2.** Proposals facsimiled or electronically mailed will not be accepted. It is the bidder's responsibility to ensure that the proposal has been received by the deadline. Post marking by the due date will not substitute for actual receipt.

**2.6.3.** In all cases, no verbal communication shall override written communication from the State of Iowa or the RFP Coordinator. No one is authorized to amend the specifications in any respect by any oral statement or to make any oral representation or interpretation in conflict with the provisions of the specifications.

**2.6.4.** Bidder representatives shall not contact any State official or staff member, other than the RFP Coordinator, to explain, amplify, or discuss submitted proposals. All such communications shall be with the RFP Coordinator. For violation of this provision, the State shall reserve the right to reject the proposal by that bidder. Bidders may continue to communicate with State staff regarding other business matters relative to State business.

**2.6.5.** Proposals are to be prepared assuming an effective date of January 1, 2005.

## **SECTION 2. ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS**

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**2.6.6.** Sealed proposals must be clearly identified on the envelope as outlined below and submitted to the RFP Coordinator no later than **4:00 p.m. CST, April 2, 2004**. Late proposals will be returned unopened. Seven paper copies of the proposal and one (1) electronic file must be submitted to:

Jennifer Sandusky  
Department of Administrative Services  
400 E 14<sup>th</sup> St  
Des Moines IA 50319  
[Jennifer.sandusky@iowa.gov](mailto:Jennifer.sandusky@iowa.gov)

The proposals are to be in two parts. One part is to be a sealed **"Flexible Spending Account Benefits Program - Technical Proposal"**. The second part is to be a sealed **"Flexible Spending Account Program - Cost Proposal"**. Cost proposals will only be evaluated if all of the mandatory requirements are met by the bidder in the technical proposal.

A required fee quotation format is provided electronically and in the Fee Quotation section of this document and includes participant premium charges for each product as well as any and all actual commissions related to the program. Any administrative, travel, or educational expenses are to be included in the proposal. The State will not compensate the vendor in any way for this program.

### **2.7 Costs of Preparing the Proposal**

Costs incurred for developing a proposal are the sole responsibility of the bidder. There will **not** be any reimbursement for these costs. If the State should determine that bidder interviews are necessary, any costs associated with oral presentations to the State will be the responsibility of the bidder and will in no way be billable to the State.

### **2.8 Right to Negotiate with Finalists**

The State reserves the right to negotiate benefit plan amendments and/or modifications to financial, administrative, or enrollment arrangements with the bidder(s) selected to administer each of the plans.

### **2.9 Waiver of Deficiencies & Nonmaterial Variations**

The State reserves the right to waive or permit cure of nonmaterial variances in a proposal provided, however, such waiver will be based on the best interests of the State. Nonmaterial variances include minor informalities that do not affect responsiveness, variances that are merely a matter of form or format, variances that do not change the relative standing of other bidders, variances that do not prejudice other bidders, variances that do not change the meaning or scope of the RFP, or variances that do not reflect a material change in the services.

Failure to provide any mandatory requirements or information shall not be considered a nonmaterial variation that the State can waive or permit cure. In the event the State waives or permits cure of nonmaterial variances, such a waiver or cure will not modify the RFP

## **SECTION 2. ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS**

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requirements or excuse the bidder from full compliance with RFP specifications or other contract requirements if the bidder is awarded the contract. The determination of whether a particular matter constitutes a material or nonmaterial variation from the RFP is within the sole discretion of the State.

### **2.10 Rejection of Proposals**

At any time prior to the execution of the written contract, the State of Iowa reserves the right to reject any or all bids at its discretion in whole or in part, to amend and reissue this RFP, to advertise for new proposals, to abandon the need for such services, and to cancel this RFP if it deems such actions to be in the best interests of the State. A proposal will be rejected outright and not evaluated if a bidder fails to deliver its proposal by 4:00 p.m. CST, on the due date.

### **2.11 Copyrights**

By submitting a proposal, the bidder agrees that the State may copy the proposal for purposes of facilitating the evaluation of the proposal or to respond to requests for public records. By submitting a proposal, the bidder consents to such copying and warrants and represents that such copying will not violate the rights of any third party. The State will have the right to use ideas or adaptations of ideas that are presented in the proposals.

### **2.12 Public Records and Requests for Confidentiality**

**2.12.1.** All information submitted by a bidder may be treated as a public record by the State unless the bidder properly requests that information be treated as confidential information at the time its proposal is submitted. The laws of the State of Iowa require that at the conclusion of the selection process, the contents of all proposals be placed in the public domain and be open to inspection by interested parties pursuant to Iowa Code chapter 22.

**2.12.2.** Any request for confidential treatment of information must be included in the transmittal letter with the bidder's proposal. In any such request, the bidder must enumerate the specific grounds under Iowa Code chapter 22 that support the treatment of materials as confidential and must also explain why disclosure of the information is not in the best interest of the public.

**2.12.3.** Any documents submitted which contain confidential information must be marked on the outside as containing confidential information, and each page upon which confidential information appears must be marked as containing confidential information. The confidential information must be clearly identified to the reader where it appears. All copies of the proposal submitted, as well as the original, must be marked in this manner. Identification of the entire proposal as confidential shall be deemed non-responsive and shall disqualify the bidder.

**2.12.4.** The information marked confidential shall be treated as confidential information to the extent such information is determined to be confidential under Iowa Code chapter 22 or other provisions by a court of competent jurisdiction.



## **SECTION 2. ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS**

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**2.12.5.** In the event the State receives a request for information marked confidential, written notice shall be given to the bidder prior to the release of the information to allow the bidder to seek injunctive relief pursuant to Iowa Code section 22.8.

**2.12.6.** A bidder's failure to request confidential treatment of material pursuant to this section and the relevant laws will be deemed by the State as a waiver of any right to confidentiality that a bidder may have had.

### **2.13 Proposals Property of the State**

All proposals become the property of the State of Iowa and will not be returned to the bidder.

### **2.14 Construction of RFP and Laws and Rules**

This RFP is to be construed in light of pertinent legal requirements. Changes in applicable laws and rules may affect the award process or the resulting contract. Bidders are responsible for ascertaining pertinent legal requirements and restrictions.

### **2.15 Release of Claims**

By submitting a proposal, each bidder agrees that it will not bring any claim or have any cause of action against the State of Iowa based on any misunderstanding concerning the information provided in this RFP or concerning the State's failure, negligence or otherwise to provide the bidder with pertinent information as intended by this RFP.

### **2.16 Proposal Duration**

Any submitted proposal shall remain a firm, valid proposal for twelve (12) months after the proposal due date.

### **2.17 Gratuities**

Iowa law provides that it is a felony to offer, promise or give anything of value or benefit to a State employee with the intent to influence that employee's acts, opinion, judgment or exercise of discretion with respect to that employee's duties.

### **SECTION 3: GENERAL TERMS AND CONDITIONS OF THE CONTRACT**

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The contract that will be awarded as a result of this RFP will be based upon the proposal submitted by the successful bidder. The State of Iowa reserves the right to award a contract without further negotiation with the successful bidder or to negotiate contract terms with the selected bidder if the best interests of the State would be served.

Attached to and made part of this RFP is the State of Iowa's standard contract applicable to this RFP (Attachment 1). Inclusion of the contract in no way represents an offer to contract.

Proposals must include a redlined (deletions shown with strikeouts, additions shown with underlining) copy of the attached standard contract showing any and all change(s) that the bidder would propose to make. Any contract language that is not modified with redlining shall be deemed to indicate that the bidder is willing to agree to that contract language as written. The number, nature and extent of requested contract revisions in each bidder's proposal will be an evaluation factor.

## **SECTION 4: SERVICE REQUIREMENTS AND MINIMUM QUALIFICATIONS**

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### **4.1 Description of Desired Services**

The State of Iowa is seeking proposals from qualified companies to administer a flexible spending accounts program effective January 1, 2005. The State will continue to administer the premium conversion plan.

### **4.2 Payroll Processing**

The State of Iowa has a bi-weekly pay period, generally beginning on Friday and ending on Thursday. The pay date for the pay period is the second (2<sup>nd</sup>) Friday after the end of the pay period, unless it falls on a holiday. Transaction processing is normally limited to work days. The State of Iowa contemplates no changes to any of its current 13 payroll systems to accommodate the Contractor's system requirements.

To be reflected in the payroll warrant for the pay period, an electronic transmission with all enrollments, cancellations, changes, and error corrections, must be received from the Contractor no later than Friday before the employee's pay date. This date shall be adjusted to accommodate holidays, system problems, etc. Please note that contributions can only be made as a fixed dollar amount. Participant deductions are currently divided between the first and second payday of the month, the deduction is automatically equally divided based on the Participants annual commitment election.

### **4.3 Telephone Services**

The Contractor shall maintain a toll-free telephone number to respond to Participant inquiries as well as a toll-free TDD line for hearing impaired Participants. Upon proper identification, the Contractor shall, to the extent possible, answer inquiries over the telephone. The Contractor shall also provide an interactive voice response toll-free telephone system, which will enable Participants to obtain current, personalized information concerning their accounts as well as general information concerning the Plan. Information to be available through the interactive telephone system shall include the Participant's account balance; current contribution amount; claim reimbursement amount; and other information the Contractor feels the need to provide. Such systems shall be available twenty-four (24) hours a day seven (7) days per week. The Contractor shall advise all Participants of the availability of its toll-free numbers.

### **4.4 Enrollment**

The Contractor shall process all enrollments both during the year and at annual enrollment time. The Contractor shall mail preprinted enrollment forms to current Participants' homes shortly before the fall annual enrollment period to be used during the enrollment period.

### **4.5 Minimum Bidder Qualifications**

The following criteria must be met in order to be considered a full response to this RFP:

- Ability to provide services required.
- Adherence to RFP timelines and requirements.
- Demonstrated organizational financial stability.

## SECTION 4: SERVICE REQUIREMENTS AND MINIMUM QUALIFICATIONS

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- Experience serving large public sector clients and union groups.
- Bidder experience providing FSA administration and other similar services as requested in this RFP.
- Satisfactory references.

### 4.6 Minimum Proposal Qualifications

**4.6.1 Signature of Officer Binding the Bidder.** The offer made by the proposal, and any clarifications to that proposal, shall be signed by an officer of the proposing bidder empowered to bind the bidder in a contract.

**4.6.2 Acceptance of Terms and Conditions.** Each bidder shall specifically stipulate that the proposal is predicated upon the acceptance of all terms and conditions stated in the RFP, and all attachments. If the bidder objects to any term or condition, it shall make specific reference to the RFP page and section number(s) at issue. Objections or responses that materially alter the RFP shall be deemed non-responsive and shall disqualify the bidder.

### 4.7 Minimum Experience

The bidder must have current experience providing similar third party flexible spending account administration to at least one other employer with 10,000 or more employees. Current public sector and union group experience is preferred.

### 4.8 Errors and Omissions Insurance

Each bidder must either provide a copy of a certificate of insurance (not a statement or policy number) showing errors and omissions coverage with a minimum limit of \$1,000,000 per occurrence; or demonstrate that the bidder has alternative mechanisms, either through self-funding or another mechanism, to indemnify the State from such errors and omissions with a minimum limit of \$1,000,000 per occurrence (e.g., a letter from an officer of the company confirming adequate protection).

If this requirement is met through the maintenance of "errors and omissions insurance", all certificates shall contain the following certification and cancellation terms in the same or substantially similar form:

"I hereby certify that I am an authorized representative of each of the insurance companies listed above, and the coverage afforded under the policies listed above will not be cancelled, materially changed, or allowed to expire unless sixty (60) days written notice has been received by the State of Iowa".

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Name of Issuing Agency

---

Date of Issue of E&O insurance

---

Signature of Authorized Representative

---

Phone Number

## **SECTION 4: SERVICE REQUIREMENTS AND MINIMUM QUALIFICATIONS**

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### **4.9 Iowa Registration**

The bidder must be qualified to do business in the State of Iowa and must be registered with the appropriate state authorities.

## **SECTION 6: EVALUATION OF PROPOSALS**

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These instructions prescribe the format and content of the proposal and are designed to facilitate the submission of a proposal that is easy to understand and evaluate. Failure to adhere to the proposal format shall result in the disqualification of the proposal.

### **5.1 Instructions**

- All proposals should be prepared simply and economically providing a direct, concise delineation of the bidder's proposal and qualifications. Proposals must meet the criteria set forth in this Section.
- Proposals should be typed or printed on 8.5" x 11" paper (one side only).
- All pages of proposals must have consecutive page numbers.
- The bidder must also submit one copy of the proposal from which confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material and to retain as much of the proposal as possible.
- Proposals must respond to RFP requirements and questions by restating the number and text of the requirement in sequence and writing the response immediately after the restated requirement.

### **5.2 Table of Contents**

All proposals must include a table of contents and appropriate page number references.

### **5.3 Transmittal Letter**

A transmittal letter is required. The transmittal letter shall be signed by an individual authorized to legally bind the bidder. The letter shall include the bidder's mailing address, telephone number, fax number, and email address.

A request for confidential treatment of information shall be included in the transmittal. Any request for confidential treatment must comply with all requirements for such requests as by Section 2 of the RFP. The absence of a request for confidential treatment shall be construed to mean that no portion of the proposal is requested by the bidder to be kept confidential.

### **5.4 Proposal Certification**

Each bidder will sign and submit a certification stating that the contents of the proposal are true and accurate. The substance and form of the proposal certification is included in Attachment 2 to the RFP. The proposal certification must be on the bidder's letterhead and signed by an individual with authority to legally bind the bidder. Failure to provide the certification required by this Section shall result in the rejection of the proposal as noncompliant.

## **SECTION 6: EVALUATION OF PROPOSALS**

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### **5.5 Contents of Proposal**

The proposal submitted must respond to each section of the RFP. Specifically, the proposal must respond to each section of the RFP by restating the number and text of the requirement in sequence and writing the response immediately after the restated requirement indicating, where appropriate, that bidder has read, understands and will comply with the section or provide the required narrative response.

### **5.6 Certification of Independence and No Conflict of Interest**

As Attachment 3 to the Proposal, each bidder shall sign and submit a certification stating that the proposal was developed independently and that no relationship exists, or will exist during the contract period, between bidder and the State that interferes with, or might interfere with, fair competition or is, or might be, a conflict of interest. The substance and form of the certification of independence and no conflict of interest is included as Attachment 3 to the RFP. This certification must be on the bidder's letterhead and signed by an individual with authority to legally bind the bidder in contract. Failure to provide the certification required by this section shall result in the rejection of the proposal as noncompliant.

### **5.7 Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion**

As Attachment 4 to the Proposal, each bidder shall sign and submit with the proposal a certification stating that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from providing services or transactions by any federal or state department/agency. The substance and form of the certification regarding debarment, ineligibility, and voluntary exclusion is included as Attachment 4 to the RFP. This certification must be on the bidder's letterhead and signed by an individual with authority to legally bind the bidder in contract. Failure to provide the certification required by this section shall result in the rejection of the proposal as noncompliant.

### **5.8 Authorization to Release Information**

As Attachment 5 to the Proposal, each bidder shall sign and submit with the proposal an authorization for the release of information to the State. The substance and form of the authorization is included as Attachment 5 to the RFP. This authorization must be on the bidder's letterhead and signed by an individual with authority to legally bind the bidder in contract. Failure to provide the authorization required by this section shall result in the rejection of the proposal as noncompliant.

## **SECTION 6: EVALUATION OF PROPOSALS**

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### **6.1 Award Process**

All proposals will be reviewed for compliance and qualification in terms of the service requirements and minimum qualifications. Following this initial review, an Evaluation Committee will review and score all compliant proposals as well as select finalists. The Committee will consider all information provided in the proposal when scoring proposals and may consider relevant information from other sources. The State of Iowa reserves the right to award this contract not necessarily to the firm with the lowest cost but to the firm which will provide the best match to the needs and priorities of the State and its employees.

### **6.2 Evaluation Process**

The Evaluation Committee will prepare a recommendation as to the bidder(s) that should be selected by the State. The State may, in addition to consideration of written proposals:

- Conduct interviews and hear personal presentations from the representatives of insurance companies selected as finalists.
- Complete reference checks, visit bidder facilities, and take whatever additional actions are deemed appropriate in order to evaluate each bidder's service capabilities.
- Hold any additional meetings that may be required to negotiate a satisfactory contractual arrangement.

An initial review of minimally qualified candidates will be conducted to select a reasonable number of finalists for review by the Evaluation Committee. The Committee will review and evaluate technical proposals first, before reviewing cost proposals. Representatives of the Committee may perform reference checks of the finalists and will report the findings to the Committee. A final round of evaluation may include interviews of finalists.

The Evaluation Committee will assign points for each of the evaluation criteria set forth in Section 6.3. The Committee will base the points on its assessment of the bidder's response to each section.

### **6.3 Evaluation Criteria and Scoring**

#### **6.3.1. Basis for Evaluating Proposals**

**A. Areas of review.** The selection of the bidder will be based on the State's evaluation of each bidder in the following areas:

- Scope of services;
- Past performance in administering flexible spending account programs as ascertained by reference checks of the largest group clients;
- The professional experience and number of staff assigned to the State's account;
- Willingness and ability to provide personalized, on-site assistance to various State locations on an "as needed" basis;



## SECTION 6: EVALUATION OF PROPOSALS

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- The extent to which the requirements listed in all sections of this RFP are met or exceeded;
- Willingness to enter into a performance-based contract;
- Responses to the questions;
- Demonstrated financial strength, organizational size, and organizational stability; and
- Cost

**B. Preference for Iowa-based companies.** In accordance with Iowa Code Section 18.6(10), preference will be shown to Iowa-based companies where proposals submitted are comparable in price and meet the required specifications.

### 6.3.2. Evaluation Criteria and Scoring

**A. Customer Service (250 Points)**

1. Qualifications of staff assigned to service the State
  - Education
  - Training
2. Availability of customer service assistance to State employees
3. Employee education and communication vehicles
4. Speed and accuracy of claims processing
5. Voice response unit

**B. Administration (400 Points)**

1. Administrative capability and suitability
2. Ability to interface with State systems
3. Claims processing and service staff
4. Objective performance measures of accuracy and timeliness of claims processing
5. Technological capabilities
6. Data reporting capabilities
7. Proposed business plan
8. Proposed contract terms

**C. Experience (100 Points)**

1. Experience with large organizations (10,000 or more)
2. Experience with public-sector employers
3. Experience with unionized work force

**D. Organizational Qualifications (50 Points)**

1. History
2. Financial strength and stability
3. Adequate size

**E. Cost (200 Points)**

**TOTAL 1,000 Points**

## **SECTION 6: EVALUATION OF PROPOSALS**

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### **6.4 Notification of Successful Bidder**

After award of the contract(s), all bidders will be notified of the successful bidder.

### **6.5 Verification of Proposal and Contract Negotiation**

The bidders shall meet all applicable contracting requirements imposed by this RFP and Iowa law. The successful bidder must, in a timely manner, enter into the contract with the State to implement the services contemplated by this RFP. It is expected that all such documentation will be executed within forty-five (45) days after the notification of the award. Failure of the successful bidder to agree to the terms of contract within that time period may be grounds for the State to award the contract to another compliant bidder.

## **SECTION 7: SCOPE OF SERVICES AND PROPOSAL QUESTIONNAIRE**

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In order for your proposal to be considered and accepted, your organization must provide answers to the questions presented in this section. Each question must be answered specifically and in detail. Include both the question and the answer in your proposal. An electronic copy of this questionnaire has been provided to facilitate your response. Reference should not be made to a prior response unless the question involved specifically provides such an option. Be sure to refer to the earlier sections of this RFP before responding to any of the questions, so that you have a complete understanding of all of the State's requirements with respect to the bid.

If your proposal is different in any way (whether more or less favorable) from that indicated in this RFP, clearly indicate the deviation. If you do not, the submission of your proposal will be deemed a certification that you will comply in every respect (including, but not limited to, coverage provided, funding method requested, benefit exclusions and limitations, underwriting provisions, etc.) with the requirements set forth in this RFP.

If you are unable to perform any required service indicate clearly: a) what you are currently unable to do; b) what steps will be taken (if any) to meet the requirement; c) the timetable for that process; and d) who will be responsible for the implementation, along with that person's qualifications.

Please include any additional information in your proposal that you consider useful to the State. However, responses to all of the questions set forth below must be provided.

## SECTION 7: SCOPE OF SERVICES AND PROPOSAL QUESTIONNAIRE

### 7.1 Scope of Services

Please answer Yes or No to indicate your ability to comply or your agreement with the following statements. If you answer No to any of the statements below, please provide an explanation in the deviations section of your proposal.

	Yes	No
▪ Stay abreast of all federal, state, and local regulations impacting the services and plans provided and associated administrative processes. Notify the State of the nature and impact of pending changes and make associated recommendations (if applicable).		
▪ Provide mail fulfillment for materials and forms as required for program administration.		
▪ Allow the State of Iowa to approve all employee communications and education prior to distribution to state employees.		
▪ Perform administration for all enrollments: <ul style="list-style-type: none"> <li>– Respond to employee inquiries</li> <li>– Interface electronically with State's payroll system</li> <li>– Provide enrollment confirmations</li> <li>– Maintain enrollment selections</li> </ul>		
▪ Maintain a toll-free number for participant inquiries as well as a toll-free TDD line		
▪ Provide an Interactive Voice Response (IVR) system to provide participant account and plan information		
▪ Provide confirmation of coverage approvals to participants		
▪ Provide management/enrollment reports and statistics to the State of Iowa as requested.		
▪ Administer COBRA for health flexible spending accounts.		
▪ Ability to accommodate any future union contract requirements and changes.		
▪ Prepare any required annual filings.		
▪ Generate annual tax reporting information, if any		
▪ Conduct non-discrimination testing.		
▪ Send explanation for denied claims to participants.		
▪ Develop and distribute summary plan descriptions, plan documents and policies.		
▪ Maintain an electronic data processing and electronic data interface environment that meets the requirements of the Health Insurance Portability and Accountability Act as applicable.		
▪ Prepare and distribute quarterly participant statements.		

## SECTION 7: SCOPE OF SERVICES AND PROPOSAL QUESTIONNAIRE

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### Questions

#### 7.2 Company Organization, Strength and Experience

1. Provide a brief description of your organization, including your company history, organizational structure, services provided, and length of time you have been in the flexible spending account program administration business. Describe any pending agreements to merge or sell the company.
2. Provide a description of the services your firm provides in the specific areas of flexible spending account program administration. Briefly describe your capabilities, including your technology solutions and customer service infrastructure, for providing these services.
3. What is your total number of company employees? How many are dedicated to flexible spending account administration?
4. Vendors responding to this RFP must be able to substantiate their financial stability. Provide a copy of your audited financial statement or other financial information. Include, at a minimum, a Balance Sheet and a Profit and Loss Statement, together with the name and address of the bank(s) with which you conduct business and the public accounting firm(s) that audit your financial statements. Other sufficient information may include a written statement from a financial institution confirming the creditworthiness and financial stability of the bidder.
5. Is there any pending litigation against the company not disclosed in the most recently audited financial statements? If so, give details and provide an opinion of counsel that the pending litigation will not impair the company's performance.
6. Indicate whether your company has ever been a party to litigation regarding a contract or agreement to administer a flexible spending account program. If so, provide details of the specifics. Failure to disclose may constitute grounds for rejection of any proposal for termination of any contract.
7. State whether the bidder, its officers, agents or employees, who are expected to perform services under the State's contract, have been disciplined, admonished, warned, or had its license, registration, charter, certification, or any similar authorization to do business suspended or revoked for any reason.
8. In the table below, provide the average number of eligible employees and participants for the geographic areas and time periods specified:

	USA eligible	USA participants	Iowa eligible	Iowa participants
As of Jan 2002				
As of Jan 2003				
As of Jan 2004				

9. What is the average size of your FSA clients (in terms of participants)? What is the size of your largest client (number of participants)?

## **SECTION 7: SCOPE OF SERVICES AND PROPOSAL QUESTIONNAIRE**

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10. State whether the bidder is a small business or certified targeted small business as defined in Iowa Code section 15.102.
11. What fidelity and surety insurance or bond coverage do you carry to protect your clients? Specifically describe the type and amount of the fidelity bond insuring your employees that would protect this plan in the event of a loss. Do you agree to furnish a copy of all such policies for review by legal counsel if requested?
12. Provide the following detailed information on a maximum of three (3) of the company's largest FSA administration plans in which you provide recordkeeping, education, marketing, and administrative services. Public sector references of similar size to the State of Iowa are preferred.
  - a. Name of employer sponsoring plan
  - b. Date the contract began
  - c. FSA program inception date, if known
  - d. Annual cash flow
  - e. Number of individuals participating in the plan
  - f. Number of individuals eligible to participate
  - g. Number of payroll systems participating
  - h. Administrative fee received
  - i. Types of services provided to plan sponsor
  - j. Contact information (name, phone number, fax number, email address)
13. Has the bidder ever held a contract with the State of Iowa? If so, specify dates, contracting department, the name and title of the state official overseeing the contract, and the services performed.
14. Provide details on specific experience your company has had in each of the following areas. Public sector examples are preferred. (Details will include plan category, name of the employer sponsoring plan, the number of participants involved, and the size of the plan.)
  - a. Performing individual recordkeeping.
  - b. Accurate payment of claims.
  - c. Ensuring compliance on receipts received prior to release of payments.
  - d. Designing and operating an interactive voice response telephone system for Participants.
  - e. Designing written communication items, such as forms, brochures, PowerPoint presentations, and flyers to be provided to Participants.
  - f. Sending and receiving electronic data to and from employer plan sponsors.
  - g. Providing educational sessions to employees
  - h. Administering COBRA for health flexible spending accounts.
15. State whether, during the preceding three-year period, the bidder has been terminated by any large (>10,000 employees) client. If bidder has been terminated on any FSA administration contract, identify each such contract, provide a description of the facts and circumstances of the termination, and provide the name, address, and telephone number of a contact person with the entity with whom the bidder had the contract.
16. State whether, during the preceding three-year period, the bidder has terminated a contract prior to the expiration of the stated contract term. If so, list all such

## **SECTION 7: SCOPE OF SERVICES AND PROPOSAL QUESTIONNAIRE**

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contracts, provide a description of the facts and circumstances of each termination, and provide the name, address, and telephone number of a contact person with the entity with whom the bidder had the contract.

### **7.3 Implementation and Account Management**

1. Describe the timetable and specific tasks involved to have your program operative for the October 2004 Annual Enrollment. Include a detailed implementation plan and business plan or timeline.
2. Please describe how you will transition the flexible spending account administration services from the current vendor (proposed dates, etc.).
3. Designate the names, titles, location, telephone numbers, email addresses, and fax numbers of the following representatives of the company:
  - a. The key individual representing your company during the proposal process;
  - b. The key individual who will be assigned overall contract management; and
  - c. The key individual responsible for day-to-day service.
4. Describe where the services will be performed. If any services are anticipated to be provided by an outside source, include the name, address, telephone number, and email address of each organization or person, which the company intends to contract for any such services. Is there a centralized location that employees can contact for all inquiries?
5. Identify any Iowa-based facilities and staff that would be available to implement and service the program.
6. For the account service individuals listed above, provide brief biographical information, such as years of service with your company, experience as it relates to this proposal, and the number of clients for which they perform similar services.
7. Describe the allocation of time that will be devoted to the State and the number of other client responsibilities for the key account service team members.
8. As an attachment to the Proposal, provide a sample of standard management reports that you would agree to provide the State. Include the timing and frequency of these reports.
9. Describe the manner in which the company's home office, local facilities and staff will serve the State's FSA program. Address each of the following areas in your answer.
  - a. Meetings
  - b. Preparation and distribution of communication materials and forms
  - c. Services to employees
  - d. Recordkeeping, accounting, and auditing of claims
  - e. Compliance advice

### **7.4 Administration**

1. Please describe any qualifications or clarifications you would like to make regarding your company's ability to meet the requirements stated in this RFP.

## **SECTION 7: SCOPE OF SERVICES AND PROPOSAL QUESTIONNAIRE**

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2. Describe any limitations or accommodations you will need to make to administer the program as described. Are there any changes or suggestions you would make?
3. Please provide a complete list of all administrative services to be provided. Describe any additional services included in your proposal that go beyond the services stated.
4. Please provide samples of the following:
  - a. Claim forms
  - b. Enrollment forms/kits
  - c. Quarterly participant statements
5. Please describe the claims payment process for participant claims, including average turnaround time for claims received in good order.
6. Describe how you intend to coordinate with the State for payroll processing.
7. Record keeping:
  - a. Discuss how participant records are maintained.
  - b. Indicate your data needs from the State in order to administer this program.
  - c. How will your organization verify eligibility?
8. Describe all current means by which participants may submit claims. Address medium and required documentation. Also describe any additional means for submitting claims that are anticipated to be added by your organization, including anticipated time frames.
9. Does your firm provide debit cards with which employees may pay for services and products? If not, why?
10. Describe all means by which payments are issued. Specifically, address such provisions as direct deposit, debit cards and any other means. Also describe any additional means for payment that are anticipated to be added by your organization, including anticipated time frames.
11. Describe the grievance and/or appeals protocols in place for plan participants. Do you have a response time goal for which to respond to claim and other questions and complaints?
12. Describe any special programs you can provide to plan members who speak a foreign language as their primary language. Be sure to indicate any additional costs for these special programs.
13. Describe your health flexible spending accounts COBRA processing.

### **7.5 Customer Service**

1. What are the specific customer service hours you are proposing for the State of Iowa? The State would prefer access between the hours of 7 am. to 6 pm. CSDT, 5 days per week.
2. Describe the location and size of your customer service center(s). Which center(s) are you proposing for the State of Iowa? Describe your typical number of customer



## SECTION 7: SCOPE OF SERVICES AND PROPOSAL QUESTIONNAIRE

service representatives per company participants. Do you typically assign fully dedicated representatives to clients of the State's size?

3. Describe your customer service triage approach (e.g., live or phone tree) and your call tracking abilities.
4. How will you ensure that you are not unnecessarily routing calls to the State for customer service?
5. Describe your approach to training customer service representatives. What is the required education level of your representatives? How will representatives learn about the State of Iowa program specifics as well as the organizational environment? What type of ongoing training is provided? What type of knowledge tools or other job aids do you provide?
6. Describe how you measure and track customer satisfaction. How is this information used?
7. Performance-based measures are required to be included in any State contract pursuant with Iowa Code section 8.47 (1) (Iowa Code 2003). Will you agree to performance standards? Please provide your proposed standards, including categories, thresholds, and monetary impact.
8. Indicate your standards for performance, as well as your actual results, based on 2003 services in each of the following areas:

	Standard		2003 Results	
a. Call waiting times (% answered within __seconds)	%	secs.	%	secs.
b. Abandonment rate (%)	%		%	
c. Number of calls monitored	%		%	
d. Average time spent in queue (minutes, seconds)				
e. Average length of call				
f. Telephone answer speed (x% within x minutes)	%		%	
g. Percent of calls requiring a return call	%		%	
h. Claims turnaround time (5 within __days)	%	days	%	days
i. Claims accuracy (% of claims)	%		%	

### 7.6 Enrollment

1. Describe your enrollment and ongoing administrative processes including your enrollment tool and education approach
2. What is your process and standard delivery mode for sending election confirmation to participants?

## SECTION 7: SCOPE OF SERVICES AND PROPOSAL QUESTIONNAIRE

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### 7.7 Quality Controls & Audits

1. Describe the quality controls, auditing and peer review mechanisms in place for your claim processing department. Do you use internal or independent/outside auditors?
2. How do you avoid duplicate payments of the same claim? If duplicate payments or overpayments are made, what are your procedures for recovery of the overpayments or duplicate payments?
3. Do you have a fraud detection unit or program in place? If so, please describe. For the coverage requested, what percent of claims submitted were denied as a result of misrepresentation and fraud?
4. Do you agree to offer the State the right to audit your organization's claim processing service, records and other relevant activity associated with its plan participants?
5. Describe your disaster recovery plan for restoring application software and master files.

### 7.8 Internet Capabilities

1. Indicate whether Internet- or intranet- based systems to access and/or modify eligibility data, claims data, etc. are available. If available, describe the internal and external systems security measures in place.

Complete the following on your Internet capabilities.

	Yes/No	Comments
Does your company have a website?		
Can you e-mail claim decisions and other notifications to employees in lieu of paper copies?		

2. How do you maintain a secure environment for communicating and transacting business with each audience (plan members, payroll centers, plan sponsors)? Briefly summarize your participant privacy policy.
3. Do you offer Internet, web-based enrollment and administration, including online enrollment and employee self service? How many years have you provided this solution? How many of your current clients use your web-based, employee self service approach? How will employees access the web site? Can the State preview this web site? What services are available through the web site (plan design information, eligibility, claim status, etc.)?

The cost proposal must be submitted in a separate, sealed envelope.

The State of Iowa reserves the right to select specific services according to the prices provided by the bidder and amend the proposed contract accordingly.

For evaluation purposes, the bidder's proposed method of compensation will be evaluated based upon a subjective assessment of the bidder's proposed method including, but not limited to, the reasonableness of any fee(s) proposed for employees participating in the FSA Plan and the acceptability of any indirect costs to the State of Iowa. The bidder's proposed method of payment for any such fees and/or indirect costs will also be considered.

### **8.1 Bidder Fee Quotation Format**

Please describe your fees, including any standard fees and additional fees for enhanced services, such as debit cards.

## **Attachments**

## **ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS**

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This Contract for administration of a flexible spending account program is between the State of Iowa, through the Iowa Department of Administrative Services, and \_\_\_\_\_ . The parties agree as follows:

### **SECTION 1. IDENTITY OF THE PARTIES**

**1.1** The State of Iowa, through the Department of Administrative Services (“DAS”), is authorized to enter into this Contract. DAS’s address is Grimes State Office Building, 400 E 14<sup>th</sup> St., Des Moines, IA 50319.

**1.2** Contractor information

### **SECTION 2. PURPOSE**

The parties have entered into this Contract for the purpose of retaining the Contractor to provide the administration of the State of Iowa’s Flexible Spending Account Program.

### **SECTION 3. DURATION OF CONTRACT**

The term of this Contract shall be January 1, 2005 through December 31, 2007, unless terminated earlier in accordance with the Termination section of this Contract. DAS shall have the option to renew this Contract for up to two, two-year extensions, subject to the written agreement of the Contractor.

### **SECTION 4. DEFINITIONS**

The following words shall be defined as set forth below:

**4.1 Contract** shall mean all parts of this Contract including, without limitation and by way of example, the first portion of this Contract and the exhibits and attachments to this Contract, the Request for Proposal, and the Contractor’s Response thereto.

**4.2 Deliverables** shall mean all tangible items specified as deliverables or work product in Section 5 below.

**4.3 Proposal** shall mean the response by the Contractor to the RFP No. \_\_\_\_\_ including any attachments, appendices, clarifications, addenda or other writings.

**4.4 RFP** shall mean Request for Proposal No. \_\_\_\_\_, as issued by DAS on \_\_\_\_\_, including any attachments, appendices, clarifications, addenda or other writings.

**4.5 State** shall mean the State of Iowa.

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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### SECTION 5. SCOPE OF SERVICES

**5.1 Scope of Services.** The Contractor shall provide the following services in accordance with the defined performance expectations as set forth below.

**5.1.1 Process Claims.** The Contractor shall timely and accurately process all claims received in good order. Should a claim be rejected, the Contractor shall promptly notify the claimant and explain why the claim is rejected. The Contractor shall maintain an appeals process to allow claimants to appeal claim denials.

**5.1.2 Personnel.** The Contractor shall maintain sufficient personnel in its offices to enroll eligible employees under the Plan, to process claims, to assist in the reconciliation of any discrepancies between the Contractor's records and those of the State, to answer inquiries of Participants and the Plan Administrator as to account balances and other records maintained or generated by the Contractor and to otherwise fulfill its duties and responsibilities under this contract.

**5.1.3 Meetings.** The Contractor shall conduct education and enrollment meetings for employees around the State of Iowa and may participate in meetings scheduled by departments and agencies of the State of Iowa as requested by the Plan Administrator. Upon reasonable notice and at reasonable times, the Contractor shall meet with the Plan Administrator and other officials of the State to the extent necessary to discharge its duties under this Contract.

The Contractor shall agree that the general manner of conduct and basic content, including the distribution of informational literature and presentation of visual aides, for all group meetings and presentations shall, at all times, be subject to the prior express written approval of the State.

**5.1.4 Telephone Services.** The Contractor shall maintain a toll-free telephone number to respond to Participant inquiries as well as a toll-free TDD line for hearing impaired Participants. Upon proper identification, the Contractor shall, to the extent possible, answer inquiries over the telephone. The Contractor shall also provide an interactive voice response toll-free telephone system, which will enable Participants to obtain current, personalized information concerning their accounts as well as general information concerning the Plan. Information to be available through the interactive telephone system shall include the Participant's account balance; claim reimbursement amount; and other information the Contractor feels the need to provide. Such system shall be available twenty-four (24) hours a day seven (7) days per week. The Contractor shall advise all Participants of the availability of its toll-free numbers.

**5.1.5 Communication Materials and Forms.** Communication materials and forms regarding the Plan shall be designed, produced and distributed at the Contractor's expense and shall be filed with and approved in advance by the Plan Administrator. Forms to be provided by the Contractor shall be the State of Iowa

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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Plan forms and other forms deemed necessary by the Plan Administrator to administer the provisions of the Plan.

The Contractor shall prepare drafts of all communication material including plan documents, summary plan descriptions, slide presentations, video presentations, flip charts, scripts and any other written and visual aides. Such drafts shall be submitted to the Plan Administrator for approval prior to use by the Contractor. All communication material prepared by the Contractor specifically for use with the State of Iowa Plan shall at all times be the property of the State of Iowa.

- 5.1.6 Policies and Procedures Manual.** The Contractor shall prepare and maintain a current manual of policies and procedures governing all aspects of the services and shall provide the Plan Administrator with a copy of such manual. In addition, the Contractor shall assist the Plan Administrator in the drafting and adoption of any rules, regulations or administrative actions necessary in the implementation and maintenance of the Plan.

- 5.1.7 Enrollment.** The Contractor shall enroll all eligible employees expressing interest who meet the eligibility requirements and process changes in participation using State of Iowa standardized forms, unless otherwise approved by the Plan Administrator.

The Contractor shall receive and process all employee authorizations, including enrollment applications and requests for changes in enrollment due to an eligible event or change in employment status, during a plan year and shall notify the affected employee, the employee's payroll agency, and the Plan Administrator of the disposition and the necessary change to employee payroll records.

- 5.1.8 Contributions.** The Contractor shall process employee contributions in detail consistent with terms of the Plan and the State's payroll system and reconcile contribution amounts with the Plan Administrator. The Contractor shall send payroll deduction information to the State's payroll systems and will receive information from the State after payroll has processed confirming the actual payroll deductions.

The Contractor must be capable of receiving and processing information concerning employee salary deductions submitted via paper report as required to adjust for incorrect or omitted information.

The Contractor shall be responsible for the development of necessary procedures for informing the appropriate agency payroll office of applicable employee salary deduction amounts for employees participating in the Plan and for providing verification to participating employees of the established salary deduction amounts. Such procedures shall be subject to the approval of the Plan Administrator.

- 5.1.9 Administration.** The Contractor shall perform all administrative and recordkeeping functions necessary to ensure accurate accounting of the funds in

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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the Participant accounts and provide for the efficient and prudent management of the Plan.

- 5.2 Records.** The Contractor shall establish and maintain records for the Plan showing annual commitments, payment of claims, receipt of claims, forfeitures, refunds, and administrative costs during the term of the Plan.

**5.2.1 Daily Account Status.** The Contractor shall also establish and maintain records of each Participant's daily account status. Participant records shall, at a minimum, include the salary deduction contributions, original annual commitment, change in commitment amount, change in salary deduction amount, amount reimbursed for claims, refunds, forfeitures, employee address, employee date of birth, employee's social security number, and other related information.

**5.2.2 GASB Standards.** The Contractor's Plan records and Participant records shall be maintained in accordance with generally accepted accounting principles, the most recent Governmental Accounting Standards Board statements, the Plan documents, and the Internal Revenue Code and the regulations promulgated thereunder. Such records shall be maintained in a format mutually agreed upon by the Plan Administrator and the Contractor.

**5.2.3 State Property.** The Contractor agrees that all records regarding the Plan shall be the property of the State. Upon expiration of this contract, or in the event of its termination for any reason, the Contractor shall provide to the State records kept by the Contractor pursuant to this contract and all monies held by the Contractor hereunder. Such records and monies shall be furnished to the State within fifteen (15) calendar days after the State's written request. The records and monies shall be transmitted to the State pursuant to reasonable written instructions given by the Plan Administrator.

- 5.3 Employer Reports.** The Contractor shall provide the following reports to the Plan Administrator and such additional reports as are agreed to by the Contractor and the Plan Administrator from time to time. All reports shall be submitted in a format approved by the Plan Administrator. The Contractor shall also provide access for the State to the Contractor's database with either query capability or access to predefined reports.

**5.3.1 Statements.**

- a.** Bi-weekly calendar year-to-date account information detailing annual commitments, salary deductions, number of Participants, number of claim reimbursements, dollar amount of claim reimbursements, and account balances.
- b.** A daily summary of the total reimbursements made by each plan, including the dollar amount and type of distributions (check or direct deposit).

**5.3.2 Monthly Summaries.** Monthly plan summary account reports summarizing activity, year to date activity, and inception to date activity for the Plan.



## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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**5.3.3 Monthly Participation Reports.** Monthly participation status reports for the Plan showing:

- (a) number of Participants by department actively contributing by salary deduction to each plan and to both;
- (b) number of Participants who received refunds through the Contractor and breakdown of reason for refund;
- (c) number of Participants who stopped salary deductions;
- (d) number of Participants who enrolled in the Plan due to an eligible family or employment event;
- (e) number of Participants who submitted a claim for reimbursement;
- (f) number of claims processed.

**5.3.4 Monthly Fund Reports.** Monthly fund status report showing:

- (a) dollar amount paid to Participants due to an eligible reimbursement claim;
- (b) dollar amount paid to Participants due to a refund, list reasons for refunds;
- (c) dollar amount received through salary reduction; and
- (d) dollar amount received through administrative fees.

**5.3.5 Annual Reports.** Annual reports of regulatory agency compliance activity, as deemed necessary by the State and other reports as may be necessary to show compliance activity in regard to requirements enacted after the effective date of this contract.

**5.3.6 Final Reports.** The Contractor shall, within thirty (30) days after the final date for payment of claims for the previous calendar year, issue a final report to the State listing individual Participants under the Plan and the amounts received and disbursed for the plan year. This statement will provide information regarding the forfeiture provision of the Plan. All such reports shall include the year-to-date amount contributed, the year-to-date amount expended and any other information as may be required for each account.

**5.4 Participant Reports.** The Contractor shall provide to Participants quarterly statements in a format mutually agreed to by the Contractor and the Plan Administrator. Quarterly statements shall be mailed to the Participants home address within ten (10) days following the end of the quarter or emailed to participants who request notification via email. Statements shall show the Participant's name, address, social security number, the period covered by the statement, as well as detailed reporting by, annual commitment amount, payroll deduction amount, dates of claims and amount reimbursed, pending claims, and remaining account balances. The Contractor shall monitor and account for balances in each Participant's account and with every claim payment shall notify the Participant of the current account balance via quarterly statements or more often as agreed to by the Plan Administrator.

**5.5 Consultation and Advice.** The Contractor shall advise the Plan Administrator of present and future changes, legislative or otherwise, which would impact the Plan as well as

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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assist the Plan Administrator in maintaining compliance with any and all regulations and laws. The Contractor shall recommend amendments to the Plan document or changes in program operation as may be required by changing conditions, laws or regulations, or as may be beneficial in offering Participants the most advantageous Plan.

- 5.6 Refunds.** The Contractor shall develop a method for refunds to the State and Participants as necessary to correct misdirected funds. Such procedure shall be subject to approval by the Plan Administrator.
- 5.7 Compliance with the Internal Revenue Code.** The Contractor recognizes that the Plan is intended to qualify under Section 129 and 125 of the Internal Revenue Code and agrees to maintain knowledge of the federal rules applicable to the plan and to administer the Plan in a manner consistent with the applicable requirements of the Internal Revenue Code and the Plan document. The Contractor shall be responsible for preparing document and forms necessary to obtain approval from appropriate federal agencies as may be required to ensure full compliance with the laws and regulations governing the Plan.
- 5.8 Industry Standards.** Services rendered pursuant to this Contract shall be performed in a professional and workmanlike manner in accordance with the terms of this Contract. In the absence of a detailed specification for the performance of any portion of this Contract, the parties agree that the applicable specification shall be the generally accepted industry standard.
- 5.9 Personnel to Perform the Services.** As part of the consideration for this Contract, DAS is relying on the personal skills of the key individuals identified in the Contractor's proposal to perform the services described in the scope of services. The Contractor must receive DAS's written approval prior to making any substitutions of key personnel by the Contractor during the term of this Contract or any extensions thereof. In addition, DAS may prohibit any Contractor personnel or agents from performing services under this Contract if DAS reasonably determines that such individual's performance does not meet DAS's expectations.

## SECTION 6. PERFORMANCE MEASURES

## SECTION 7. TERMINATION

- 7.1 Termination for cause:** DAS may terminate the Contract resulting from this proposal at any time after (15) fifteen days written notice if the Contractor fails to carry out its provisions. Notwithstanding the above statement, the Contractor shall be paid promptly for services rendered up to the point of termination of the Contract.

DAS shall provide the Contractor with (15) fifteen calendar days' written notice of conditions endangering performance. If, after such notice, the Contractor fails to remedy the conditions contained in the notice, DAS may do one or more of the following:

- exercise any remedy provided by law; and
- terminate the Contractor's services.

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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Pursuant to Section 13.27, the Contractor shall not be considered to be in default under this Contract, nor shall monetary damages be assessed, if performance is delayed or made impossible by an act of God, or such other event that is beyond the reasonable control of the Contractor. In each such case, the delay or impossibility must be beyond the reasonable control of the Contractor.

Should DAS or the State obtain a money judgment against the Contractor as a result of a breach of this Contract, the Contractor consents to such judgment being offset against monies owed the Contractor by DAS or the State under this or any other agreement with DAS or the State.

Amounts due to DAS or the State as monetary damages may be deducted by DAS or the State from any money payable to the Contractor pursuant to this or any other agreement. DAS or the State shall notify the Contractor in writing of any claims for damages on or before the date DAS or the State deducts such sums from money payable to the Contractor.

Should the Contractor consider DAS to be in default of its obligations, the Contractor shall issue a written notice of default providing for an agreed time frame in which DAS shall have an opportunity to cure, provided that the cure is possible and feasible. If after opportunity to cure, the default remains, the Contractor may exercise any remedy provided by law.

- 7.2 Termination for lack of funds:** Notwithstanding any other provisions of this Contract, if funds anticipated for continued fulfillment of this Contract are at any time not forthcoming or sufficient, either through the failure of the State to appropriate funds, or the discontinuance or material alteration of the program for which funds were provided, DAS shall give written notice as soon as practical documenting the lack of funding, discontinuance, or program alteration. Unless otherwise agreed to by the parties, the Contract shall be terminated on the last day for which appropriations are available.

In no event shall DAS be liable for the payment of unemployment compensation to the Contractor's employees. DAS shall not be liable for the payment of equipment purchase, lease, or rental amounts for which the Contractor may be obligated nor shall DAS be liable for the payment of any other obligation of the Contractor. Notwithstanding the above, the Contractor shall be paid promptly for services provided up to the point of termination of this Contract.

- 7.3 Termination at Will:** The State may terminate the Contract without penalty on any day by giving written notice to the Contractor at least 30 calendar days prior to the termination. Notwithstanding the above, the Contractor shall be paid promptly for services performed to the point of termination of this Contract.

The Contractor may terminate the Contract without penalty on any given day by giving written notice to DAS at least one hundred eighty (180) calendar days prior to the termination.

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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### SECTION 8. CONFIDENTIAL INFORMATION

- 8.1** The Contractor's employees, agents and approved subcontractors may have access to private or confidential data maintained by DAS or DAS's insurance carriers to the extent necessary to carry out its responsibilities under the Contract. The Contractor must designate one individual who shall remain the responsible authority in charge of all data collected, used, or disseminated by the Contractor in connection with the performance of the Contract. The Contractor shall provide adequate supervision and training to its agents, employees and subcontractors to ensure compliance with the terms of this Contract. The private or confidential data shall remain the property of DAS at all times.
- 8.2** No private or confidential data collected, maintained, or used in the course of performance of the Contract shall by the Contractor be disseminated to any third party without the State's consent, except (a) as may be required by law, regulation, judicial or administrative process, or in accordance with applicable professional standards, or in connection with litigation pertaining hereto, or (b) to the extent such information (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by the Contractor in breach hereof, (ii) is disclosed by the State to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to the Contractor on a nonconfidential basis from a source other than the State which the Contractor believes is not prohibited from disclosing such information to the Contractor by obligation to the State, (iv) is known by the Contractor prior to its receipt from the State without any obligation of confidentiality with respect thereto, or (v) is developed by the Contractor independently of any disclosures made by the State to the Contractor of such information. The Contractor must return any and all such private or confidential data collected by the Contractor in the course of the performance of the Contract in whatever form it is maintained promptly at the written request of DAS; provided, however, the Contractor may keep a copy and any notes or extracts related thereto in accordance with applicable professional standards and reasonable business practices subject to the confidentiality obligations contained herein.
- 8.3** The Contractor's obligation under this Contract shall survive termination of this Contract.

### SECTION 9. INDEMNIFICATION FOR THIRD PARTY CLAIMS

- 9.1 By the Contractor.** The Contractor agrees to indemnify, defend and hold harmless the State, its officers, and employees appointed and elected (the "State Entities") from any and all third party liabilities, damages, settlements, judgments, losses, claims, costs and expenses, including the reasonable value of the time spent by the Attorney General's Office, and the costs and expenses and reasonable attorneys' fees of other counsel required to defend the State of Iowa or DAS, related to or arising from:
- 9.1.1** Any breach of this Contract; or
- 9.1.2** Any negligent or wrongful act or omission of the Contractor or any agent or subcontractor utilized or employed by the Contractor; or

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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- 9.1.3** Any failure by the Contractor to comply with Section 14.4 below (Compliance with the Law); or
  - 9.1.4** Any failure by the Contractor to make all reports, payments, and withholdings required by federal and state law with respect to social security, employee income, and other taxes, fees, or costs required by the Contractor to conduct business in the State of Iowa; or
  - 9.1.5** Any infringement of any copyright, trademark, patent, trade dress, or other intellectual property right; or
  - 9.1.6** Any failure by the Contractor to adhere to the confidentiality provisions of this Contract.
- 9.2 Indemnification by DAS**
- 9.2.1** DAS shall, only to the extent consistent with Article VII, Section 1 of the Iowa Constitution and Iowa Code Chapter 669, indemnify and hold harmless the Contractor from and against any and all costs, expenses, losses, claims, damages, and liabilities arising directly out of this engagement, including, without limitation, the negligence or wrongful acts or omissions of any employee of DAS while acting within the scope of the employee's office of employment in connection with the performance of this Contract.
  - 9.2.2** At the option of DAS, the Contractor shall be represented by the Attorney General of the State or special counsel retained by the State or the Attorney General of the State with respect to any litigation brought by or against DAS or such persons with respect to any claims, damages, judgments, liabilities, or causes of action to which such persons may be subject and to which they are entitled to be indemnified hereunder.
  - 9.2.3** If DAS makes any indemnity payments pursuant to this Section and the person to or on behalf of whom such payments are made thereafter collects any of such amounts from others, that person shall promptly repay such amounts to DAS, without interest.
- 9.3 Survival.** Indemnification obligation of the parties shall survive termination of this Contract.

## SECTION 10. PROJECT MANAGEMENT AND REPORTING

- 10.1 Project Manager.** At the time of execution of this Contract, each party shall designate, in writing, a Project Manager to serve until the expiration of this Contract or the designation of a substitute Project Manager.
- 10.2 Reports.** If any party has identified a problem in writing, the party responsible for resolving the problem shall provide a report setting forth activities undertaken, or to be undertaken, to resolve the problem, together with the anticipated completion dates of

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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such activities. Any party may recommend alternative courses of action or changes that will facilitate problem resolution. For as long as a problem remains unresolved, written reports shall identify:

**10.2.1** Any event not within the control of the Contractor or DAS that accounts for the problem;

**10.2.2** Modifications to the Contract agreed to by the parties in order to remedy or solve the identified problem;

**10.2.3** Damages incurred as a result of any party's failure to perform its obligations under this Contract; and

**10.2.4** Any request or demand for services by one party that another party believes are not included within the terms of this Contract.

**10.3 Problem Reporting Omissions.** Either party's acceptance of a problem report shall not relieve the other party of any obligation under this Contract or waive any other remedy under this Contract or at law or equity that other party may have. A party's failure to identify the extent of a problem or the extent of damages incurred as a result of a problem shall not act as a waiver of performance under this Contract. Where other provisions of this Contract require notification of an event in writing, the written report shall be considered a valid notice or amendment for this Contract provided the parties required to receive notice are notified and any amendment is executed by the parties in conformance with the Section of this Contract relating to amendments.

**10.4 Change Order Procedure.** DAS may at any time request a modification to the Scope of Services using a Change Order. The following procedures for a change order shall be followed:

**10.4.1 Written Request.** DAS shall specify in writing (the "Change Order Request") the desired modifications to the same degree of specificity as in the original Scope of Services.

**10.4.2 The Contractor's Response.** The Contractor shall submit to DAS a time and cost estimate for the requested Change Order, if it agrees to perform such modified Scope of Services, or a written notice declining to agree to such Change Order within five (5) business days of receiving the Change Order Request.

**10.4.3 Acceptance of the Contractor Estimate.** If DAS accepts the estimate presented by the Contractor within five (5) business days of receiving the Contractor's response, the Contractor shall perform the modified services subject to the time and cost estimates included in the Contractor response. The performance or modified services by the Contractor shall be governed by the terms and conditions of this Contract.

**10.4.4 Adjustment to Compensation.** The parties acknowledge that a Change Order for this Contract may or may not entitle the Contractor to an equitable adjustment in the Contractor's compensation or the performance deadlines under this Contract.

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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### SECTION 11. LIMITATION OF LIABILITY BETWEEN THE PARTIES

- 11.1** The Contractor expressly acknowledges that the State's benefit offerings are subject to legislative change by either the federal or state government. Should either legislative body enact measures that alter the benefit offerings, the Contractor shall not hold DAS liable in any manner for the resulting changes. DAS shall use best efforts to provide thirty (30) days' written notice to the Contractor of any legislative change. During the thirty-day period, the parties shall meet and make a good faith effort to agree upon changes to the Contract to address the legislative change. Nothing in this Subsection shall affect or impair DAS's right to terminate the Contract pursuant to the termination provisions.
- 11.2** The State agrees that the Contractor and its personnel shall not be liable to the State for any claims, liabilities, or expenses relating to this engagement, excluding any third party liability under Section 9 herein, for an aggregate amount in excess of the three times the fees paid by the State to the Contractor pursuant to this engagement, except to the extent finally judicially determined to have resulted primarily from the bad faith or intentional misconduct of the Contractor. In no event shall the Contractor or its personnel be liable to the State for punitive or exemplary damages relating to this engagement.

### SECTION 12. WARRANTIES

- 12.1 Construction of Warranties Expressed in this Contract with Warranties Implied by Law.** The Contractor represents and warrants that all the concepts, materials and Deliverables produced, or provided to DAS pursuant to the terms of this Contract, shall be wholly original with the Contractor or that the Contractor has secured all applicable interests, rights, licenses, permits or other intellectual property rights in such concepts, materials and Deliverables.
- 12.2 Copywrite, trademark.** The Contractor represents and warrants that the concepts, materials and the Deliverables and DAS's use of same and the exercise by DAS of the rights granted by this Contract shall not infringe upon any other work, other than material provided by the Contract to the Contractor to be used as a basis for such materials, or violate the rights of publicity or privacy of, or constitute a libel or slander against, any person, firm or corporation and that the concepts, materials and works will not infringe upon the copyright, trademark, trade name, literary, dramatic, statutory, common law or any other rights of any person, firm or corporation or other entity.
- 12.3 Good faith, professtional practices.** The Contractor represents and warrants that it shall perform all of the services hereunder in good faith and will use sound, professional practices in a competent and professional manner by knowledgeable, trained and qualified personnel.
- 12.4 Authority to contract.** The Contractor represents and warrants that it has full authority to enter into this Contract and that it has not granted and will not grant any right or interest to any person or entity.

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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- 12.5 Subcontractors.** DAS will not have any obligations with respect to the Contractor's contractual obligations to its contractors and subcontractors unless otherwise agreed to by DAS.
- 12.6 Owner of deliverables.** The Contractor represents and warrants that it is the owner of or otherwise has the right to use and distribute the software, the materials owned by the Contractor, and any other materials, Deliverables, and methodologies used in connection with providing the services contemplated by this Contract.
- 12.7 Owner of property.** The Contractor represents and warrants that title to any property assigned, conveyed, or licensed to DAS is good and that transfer of title or license to DAS is rightful and that all property shall be delivered free of any security interest or other lien or encumbrance.
- 12.8 Solicitation.** The Contractor warrants that no person or selling agency has been employed or retained to solicit and secure this Contract upon an agreement of understanding of commission, percentage, brokerage or contingency fee except bona fide employees maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall have the right to award this Contract without liability, or in its discretion, to deduct from the contract price or to otherwise recover, the full amount of such commission, percentage, brokerage or contingency.
- 12.9 Pricing.** The Contractor warrants that the prices in its Proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any competitor. No attempt has been made by the Contractor to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

## SECTION 13. CONTRACT ADMINISTRATION

- 13.1 Independent Contractor.** The status of the Contractor shall be that of an independent contractor. The Contractor, its employees, agents and any subcontractors performing under this Contract are not employees or agents of the State of Iowa or any agency, division, or department of the State. Neither the Contractor nor its employees shall be considered employees of DAS or the State of Iowa for federal or state tax purposes. DAS will not withhold taxes on behalf of the Contractor (unless required by law).
- 13.2 Incorporation of Documents.** Along with this document, the RFP, and amendments and written responses to bidders' questions (collectively RFP) and the Contractor's Proposal submitted in response to the RFP, form the Contract between the Contractor and the DAS and are incorporated herein by reference.
- 13.3 Order of Priority.** In the event of a conflict between the Contract, the RFP and the Proposal, the conflict shall be resolved according to the following priority, ranked in descending order: (1) the Contract; (2) the RFP; (3) the Proposal.
- 13.4 Compliance with the Law.** The Contractor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances,



## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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- regulations, and orders when performing the services under this Contract, including without limitation, all laws applicable to the prevention of discrimination in employment and the mandatory, if any, use of targeted small businesses as subcontractors or suppliers. The Contractor, its employees, agents, and subcontractors shall also comply with all federal, state, and local laws regarding business permits and licenses that may be required to carry out the work performed under this Contract. DAS shall provide notice to the Contractor of potential violations of this subsection 14.4 should DAS become aware of such potential violations.
- 13.5 Amendments.** This Contract may be amended in writing from time to time by mutual consent of the parties. All amendments to this Contract must be in writing and fully executed by the parties.
- 13.6 Third-Party Beneficiaries.** There are no third party beneficiaries to this Contract. This Contract is intended only to benefit the State, DAS, and the Contractor.
- 13.7 Choice of Law and Forum.** The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Contract without regard to the choice of law provisions of Iowa law. In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Contract, the exclusive jurisdiction for the proceeding shall be brought in Polk County District Court for the State of Iowa, Des Moines, Iowa. This provision shall not be construed as waiving any immunity to suit or liability including without limitation sovereign immunity in State or Federal court, which may be available to the DAS or the State of Iowa.
- 13.8 Assignment.** Neither party may assign the Contract in whole or in part or any payment arising from the Contract without the other party's prior written consent and subject to such reasonable conditions and provisions, as such party may deem necessary; provided, however, that the Contractor may so assign to an affiliate, related entity or successor in interest to all or substantially all of the assets or business of the Contractor.
- 13.9 Use of Third Parties.** DAS acknowledges that the Contractor may contract with third parties for the performance of any of the Contractor's obligations under this Contract. All subcontractors shall be subject to prior approval by DAS. The Contractor may enter into these contracts provided that the Contractor remains responsible for all services performed under this Contract. All restrictions, obligations, and responsibilities of the Contractor under this Contract shall also apply to the subcontractors. DAS shall have the right to request the removal of a subcontractor from the Contract for good cause.
- 13.10 Integration.** This Contract represents the entire Contract between the parties. The parties shall not rely on any representations, or other statements or warranties that may have been made, which are not included in this Contract.
- 13.11 Headings or Captions.** The paragraph headings or captions used in this Contract are for identification purposes only and do not limit or construe the contents of the paragraphs.
- 13.12 Not a Joint Venture.** Nothing in this Contract shall be construed as creating or constituting the relationship of a partnership, fiduciary relationship, joint venture, or other association of any kind of agent and principal relationship between the parties hereto.

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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Each party shall be deemed to be an independent contractor contracting for services. No party, unless otherwise specifically provided for herein, has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Contract.

- 13.13 Joint and Several Liability.** If the Contractor is a joint entity, consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of this Contract, and for any default of activities and obligations.
- 13.14 Supersedes Former Contracts or Agreements.** This Contract supersedes all prior Contracts or Agreements between DAS and the Contractor for the services described in this Contract.
- 13.15 Waiver.** Except as specifically provided for in a waiver signed by duly authorized representatives of DAS and the Contractor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Contract shall not be construed as affecting any subsequent right to require performance or to claim a breach.
- 13.16 Notice**
- 13.16.1** Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party as set forth as follows:
- If to DAS:
- Plan Administrator  
Flexible Spending Account Program  
Department of Administrative Services  
Grimes State Office Building  
400 E 14<sup>th</sup> St.  
Des Moines, IA 50319
- If to the Contractor:
- 13.16.2** Each such notice shall be deemed to have been provided the earlier of:
- 13.16.2.1** At the time it is actually received; or,
- 13.16.2.2** Within one (1) business day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day of delivery; or,

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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**13.16.2.3** Within five (5) business days after it is deposited in the U.S. Mail in the case of registered U.S. Mail as described above.

**13.16.3** From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

**13.17 Cumulative Rights.** Except as specifically provided for herein, the various rights, powers, options, elections and remedies of any party provided in this Contract, shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled as long as any default remains in any way unremedied, unsatisfied or undischarged.

**13.18 Severability.** If any provision of this Contract is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Contract.

**13.19 Time is of the Essence.** Time is of the essence with respect to the performance of the terms of this Contract.

**13.20 Authorization.** Each party to this Contract represents and warrants to the other parties that:

**13.20.1** It has the right, power, and authority to enter into and perform its obligations under this Contract.

**13.20.2** It has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery, and performance of this Contract, and this Contract constitutes a legal, valid, and binding obligation upon itself in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general principals of equity.

**13.21 Successors in Interest.** All the terms, provisions, and conditions of the Contract shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

**13.22 Audit and Examination of Records.** The Contractor agrees that the personnel of the State and the Auditor of the State of Iowa or any authorized representative of the State, and where federal funds are involved, the Comptroller General of the United States or any other representative of the United States Government, shall have access to, and the right to examine, upon reasonable prior notice and during the Contractor's normal business hours at the Contractor's place of business, audit, excerpt and photocopy any directly pertinent daily time records and receipts for expenses (for items in excess of \$25) billed to DAS and any books, documents, papers, and records of the vendor necessary to verify accurate invoices or payments of this Contract. All daily time records relating to this Contract shall be retained for one (1) year following the date of final invoice or

## ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS

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completion of any audit in progress, whichever is earlier. All invoices shall be retained for five (5) years following the date of final payment or completion of any audit in progress, whichever is later.

Compliance with this clause does not relieve the Contractor from retaining any records required by other laws or regulations of federal, state or local governmental units. The Contractor will not be eligible for additional payments from the State, for expenses incurred, to comply with the State's audit requirements set forth in this Section.

- 13.23 Solicitation.** The Contractor warrants that no person or selling agency has been employed or retained to solicit and secure this Contract upon an agreement or understanding for commission, percentage, brokerage or contingency excepting bona fide employees or selling agents maintained for the purpose of securing business.
- 13.24 Obligations Beyond Contract Term.** This Contract shall remain in full force and effect to the end of the specified term or until terminated or canceled pursuant to this Contract. All obligations of DAS and the Contractor incurred or existing under this Contract as of the date of expiration, termination or cancellation will survive the termination, expiration or conclusion of this Contract.
- 13.25 Counterparts.** The parties agree that this Contract has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument.
- 13.26 Additional Provisions.** The parties agree that if an Addendum, Rider or Exhibit is attached hereto by written agreement of the parties, and/or referred to herein, the same shall be deemed incorporated herein by reference.
- 13.27 Delay or Impossibility of Performance.** The Contractor shall not be in default under this Contract if performance is delayed or made impossible by circumstances or causes beyond its reasonable control, including, without limitation, an act of God, flood, fire, governmental action, war, violence, terrorism, failure to cooperate by any third party (other than a subcontractor of Contractor) or the State, or similar events. In each such case, the delay or impossibility must be beyond the reasonable control and without the fault or negligence of the Contractor. If delay results from a subcontractor's conduct, negligence or failure to perform, the Contractor shall not be excused from compliance with the terms and obligations of this Contract.
- 13.28 Insurance Requirements.** The Contractor shall maintain adequate insurance to fulfill its duties under this Contract, including the duty to indemnify the State and DAS pursuant to Section 9 above.

## **ATTACHMENT 1 – CONTRACT TERMS AND CONDITIONS**

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### **SECTION 14. EXECUTION**

**IN WITNESS WHEREOF**, in consideration of the mutual covenants set forth above and for other goods and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Contract and have caused their duly authorized representatives to execute this Contract.

**Department of Administrative  
Services**

\_\_\_\_\_  
Mollie Anderson  
Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
By:

## ATTACHMENT 2 – PROPOSAL CERTIFICATION

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Date

Jennifer Sandusky  
Department of Administrative Services  
400 E 14<sup>th</sup> St  
Des Moines IA 50319

**RE: Request for Proposals – Flexible Spending Account Program  
-PROPOSAL CERTIFICATION-**

Ms. Sandusky:

I certify that the contents of the proposal submitted on behalf of (Name of Bidder) in response to the State of Iowa Request for Proposals – Flexible Spending Account Program, are true and accurate. I also certify that (Name of Bidder) has not made any knowingly false statements in this proposal.

Sincerely,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**ATTACHMENT 3 – CERTIFICATION OF INDEPENDENCE AND NO  
CONFLICT OF INTEREST**

---

Date

Jennifer Sandusky  
Department of Administrative Services  
400 E 14<sup>th</sup> St  
Des Moines IA 50319

**RE: Request for Proposals – Flexible Spending Account Program  
- CERTIFICATION OF INDEPENDENCE AND NO CONFLICT OF  
INTEREST -**

Ms. Sandusky:

By submitting a proposal in response to the State of Iowa Request for Proposals – Flexible Spending Account Program, the undersigned certifies the following:

- 1 The proposal has been developed independently, without consultation, communication or agreement with any employee or consultant to the State who has worked on the development of this RFP, or with any person serving as a member of the evaluation committee.
- 2 The proposal has been developed independently, without consultation, communication or agreement with any other bidder or parties for the purpose of restricting competition.
- 3 Unless otherwise required by law the information found in this proposal has not been knowingly disclosed and will not be knowingly disclosed prior to the award of the contract, directly or indirectly to any other bidder.
- 4 No attempt has been made or will be made by (Name of Bidder) to induce any other bidder to submit or not submit a proposal for the purpose of restricting competition.
- 5 No relationship exists or will exist during the contract period between (Name of Bidder) and the State of Iowa that interferes with fair competition or that would create a conflict of interest.

Sincerely,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**ATTACHMENT 4 – CERTIFICATION REGARDING DEBARMENT,  
SUSPENSION, INELIGIBILITY, AND VOLUNTARY  
EXCLUSION**

---

Date

Jennifer Sandusky  
Department of Administrative Services  
400 E 14<sup>th</sup> St  
Des Moines IA 50319

**RE: Request for Proposals – Flexible Spending Account Program  
- CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
INELIGIBILITY, AND VOLUNTARY EXCLUSION -**

Ms. Sandusky:

By submitting a proposal in response to the State of Iowa Request for Proposals – Flexible Spending Account Program, the undersigned certifies the following:

1. I certify that to the best of my knowledge, (Name of Bidder) and its principals: (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transaction by a Federal department or agency; (b) have not within a three year period preceding this proposal been convicted of, or had a civil judgment rendered against them for the commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of antitrust statutes or commission of embezzlement, theft, forgery, falsification or destruction of records, making false statements, or receiving stolen property; (c) are not presently indicted for other criminally or civilly charge by a government entity (federal, state, or local) with the commission of any of these offenses enumerated in (b) of this certification; and (d) have not within a three year period preceding this proposal had one or more public transactions (federal, state, or local) terminated for cause.
2. This certification is a material representation of fact upon which the State of Iowa has relied when this transaction was entered into. If it is later determined that the undersigned knowingly rendered an erroneous certification, in addition to other remedies available, the State may pursue available remedies including suspension, debarment, or termination of the contract.

Sincerely,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_



**ATTACHMENT 4 – CERTIFICATION REGARDING DEBARMENT,  
SUSPENSION, INELIGIBILITY, AND VOLUNTARY  
EXCLUSION**

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Title

## **ATTACHMENT 5 – AUTHORIZATION TO RELEASE INFORMATION**

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Date

Jennifer Sandusky  
Department of Administrative Services  
400 E 14<sup>th</sup> St  
Des Moines IA 50319

**RE: Request for Proposals – Flexible Spending Account Program  
- AUTHORIZATION TO RELEASE INFORMATION -**

Ms. Sandusky:

The undersigned hereby authorizes the State of Iowa to obtain information regarding its performance on other contracts, agreements or other business arrangements, its business reputation, and any other matters pertinent to the evaluation and selection of a successful bidder in response to Request for Proposals – Flexible Spending Account Program.

The undersigned hereby releases, acquits, and forever discharges the State of Iowa, their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references obtained by the State in the evaluation and selection of a successful bidder in response to Request for Proposals – Flexible Spending Account Program.

The undersigned hereby authorizes representatives of the State to contact any and all of the persons, entities, and references that are, directly or indirectly, listed, submitted, or referenced in the undersigned proposal submitted in response to Request for Proposals – Flexible Spending Account Program.

The undersigned further authorizes any and all persons or entities to provide information, data, and opinions with regard to the undersigned's performance under any contract, agreement, or other business arrangement, the undersigned's ability to perform, the undersigned's business reputation, and any other matter pertinent to the evaluation of the undersigned. The undersigned hereby releases, acquits, and forever discharges any such person or entity, their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references obtained by the State in the evaluation and selection of a successful bidder in response to Request for Proposals – Flexible Spending Account Program.

A photocopy or facsimile of this signed Authorization is as valid as an original

Sincerely,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title